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Yahia Shawkat

MUBARAK'S PROMISE

SOCIAL JUSTICE AND THE NATIONAL HOUSING PROGRAMME: AFFORDABLE HOMES OR POLITICAL GAIN?

RÉSUMÉ

Même en l'absence d'un article constitutionnel citant le droit à un logement suffisant – introduit pour la première fois dans la constitution de 2012 – le gouvernement Egyptien a pris la responsabilité de construire des logements à loyer modéré (subventionnés), représentant le tiers des constructions de logements pendant l'âge d'or du gouvernement (Banque Mondiale 2007).

Mais malgré les milliards prélevés sur les fonds publics et investis par le gouvernement dans ces programmes, des centaines de milliers de citoyens ont risqué leurs vies dans les rues, pour renverser le régime Moubarak, début 2011. La plupart d'entre eux avaient pour but des demandes sociales non-satisfaites. Si ces fonds investis dans les programmes immobiliers publics n'ont pas atteint leurs buts annoncés, existait-t-il des buts non avoués, qui auraient été atteints ?

Le présent article fait l'évaluation du programme le plus récemment « achevé », le Programme National pour le Logement ou «Iskan Moubarak» (2005 à 2012), à la lumière des antécédents de clientélisme pour lequel les régimes post-Infitah sont réputés. On utilise pour cela des paramètres pragmatiques tels les sept critères du logement suffisant cités par le Pacte International relatif aux droits économiques, sociaux et culturels (CESCR Article 11 et observation générale no. 4/1991), et ceci pour évaluer si le PNL était véritablement destiné aux pauvres, ou s'il n'était qu'un autre projet post-moderne, conçu pour duper, et si son importance pour le régime réside davantage dans l'effort de le commencer plutôt que dans son achèvement. (Deputy, 2011).

MOTS CLÉS :
Logements sociaux, Droit au logement, Moubarak, post-modernité, Clientélisme.

ABSTRACT

Even in the absence of a constitutional article declaring the right to adequate housing – first introduced in the 2012 constitution – the Government of Egypt has taken it upon itself to build subsidised housing, which has made up nearly a third of all housing production in its heyday (World Bank 2007).

But despite the billions in public funds spent on such programmes, hundreds of thousands of people risked their lives to overthrow the Mubarak regime in early 2011, mostly on grounds of unmet social goals. If these large investments in public housing programmes did not achieve their advertised social goals, were there other unadvertised goals that they did achieve?

This paper assess the most recently "completed" programme, the National Housing Programme (NHP), or "Iskan Mubarak" (2005 to 2012), in light of the track record of clientelism that post Infitah regimes have been known for, using pragmatic parameters such as the International Covenant for Economic, Social and Cultural Rights' seven mandates on adequate housing (ICESR Article 11 and general comment no. 4/1991), to find out whether the NHP was indeed meant for the poor, or if it was another large High Modernist project 'designed to deceive', where its importance for the regime lay more in starting it rather than in completing it (Deputy 2011).

KEYWORDS:
Social Housing, Housing rights, Mubarak, High Modernism, Clientelism.

Eeven in the absence of a constitutional decree stating that adequate housing is a right to all Egyptians, up until the 2012 constitution the Government of Egypt has taken it upon itself to build subsidised housing, where, over the decades, various social housing programmes made up nearly a third of all housing production in urban areas.[1]

Given the dire state of the built environment in Egypt where millions of families lack adequate housing,[2] and despite the billions in public funds spent on subsidised housing programmes, hundreds of thousands of people risked their lives to overthrow the Mubarak regime in early 2011, mostly on grounds of unmet social goals. If these large investments in public housing programmes did not achieve their advertised social goals, were there other unadvertised goals that they *did* achieve?

The most recently "completed" programme – because housing projects rarely meet their targets – was the National Housing Programme (NHP), or *"Iskan Mubarak"*. It spanned the period of 2005 to 2012, straddling the last years of the Mubarak regime, and continued throughout the transitional period that came in the wake of the January 25th Revolution. In this essay I aim to assess the NHP in light of the track record of clientelism and patrimonialism that post *Infitah* regimes have been known for. If the NHP was indeed meant for the low-income families, there are certain pragmatic parameters it should have followed, if not, then it joins other large High Modernist projects as being 'designed to deceive', where their importance for the regime lay more in starting them rather than completing them.[3]

To assess this, I use three benchmarks. The first is a macro view of the housing programme's pragmatic framework, i.e. its ability to reflect housing demands as evidenced by the number of units, tenure types, and geographic equity, as previous housing schemes have centred on the Greater Cairo region, while supply-side projects have rarely helped

1. Between 1986 and 1996 the public sector built 29.5 per cent of all urban housing (not necessarily all subsidised), or 47.5 per cent of the formally built housing, (World Bank 2007).
2. Adequate housing being defined by article 11 of the International Covenant Committee on Economic and Social and Cultural Rights (ICESCR), and the subsequent comment 4/1991.
3. As evidenced in this thorough analysis of the Toshka project, the most recent of the so-called National Projects (Deputy 2011).

ease housing needs. The second benchmark looks in more detail at the adequacy of the housing units themselves, where the International Covenant for Economic, Social and Cultural Rights (ICESR) sets seven mandates,[4] of which security of tenure, affordability, and habitability are important if the housing provided by these programmes is of any real use for its potential beneficiaries. The third aspect to be assessed is implementation, as there is a history of incomplete projects, and at a projected rate of roughly 80,000 units a year, this is by far the most ambitious public housing scheme attempted in Egypt.

BACKGROUND

Clientelism and public housing in Egypt

It is argued that authoritarian regimes have built rational-legal systems on deep foundations of patrimonial rule, where systems of proxy rule by middlemen such as the *Caciquismo* in Mexico, the *Marabouts* in Senegal, or *Bossism* in the Philippines, (re)distribute government aid in return for the people's support of the regime.[5] Indeed Egypt is no stranger to clientelism, where a culture of *wasta* and *mahsubeyya*, literally middlemen and favouritism, pervades in everything from the rigging of school grades, job placement – mostly in the public sector, but also in the private sector–, to the winning of contracts in supposedly open tenders.

When it comes to elections, many voters, especially the poor and illiterate, have come to expect something material in exchange for their vote, whether on election day, in the form of cheap rice bags and cooking oil, or, much more expensive items such as infrastructure or housing that are promised in the run-up to elections.[6] These different favours are usually disguised as subsidies, where a system of 'devolved patronage' has managed to dominate government functions, and at one point, exhaust its coffers.[7]

Playing the dual role as a currency for elections while making the regime appear to respond to social needs, subsidised housing programmes have been a perennial occurrence. Over Mubarak's three decades of tenure, two large national housing schemes were directly associated with him; *Iskan Mubarak lil-Shabab*, of 1996 to 2005 and *Iskan Mubarak al-Qawmy* which this paper focuses on. In addition

4. Egypt is party to the ICESCR, with obligations to apply its mandate. Article 11 mandates the right to adequate housing, while the subsequent General comment nº. 4/1991 outlines the seven basics of adequate housing.
5. (Abt Associates 2002).
6. (Blaydes 2006).
7. (Dorman 2007, 56-57).

to that, at least one large housing scheme and two slum "upgrading" projects were associated with his son's NGO, *Gam'iat Geel Al-Mustaqbal*, using both public funds and donations from his business community, along with another three slum "upgrading" schemes associated with Mubarak's wife, Suzanne, and also through her chairing of the Red Crescent Society NGO. The lack of transparency with which housing units have been distributed have been a recurring concern, as one needs to look no further than the supposedly open lotteries of potential beneficiaries, which more often than not end, or are broken up, in protest against the *wasta* and *mahsubeyya* by which the units are allegedly allocated.[8]

The intended plan of the NHP

In one of his election campaign speeches, Hosni Mubarak pledged a subsidised housing scheme of 500,000 units for low-income individuals and families if he got elected in 2005.[9] The emphasis here is on "elected", as this was the first time the four-term president would be elected, all the previous terms having been achieved by referenda. It is not clear why that particular number of units was chosen for *Wa'ad Mubarak* (Mubarak's (Electoral) Promise); as evinced by the USAID study that helped design the programme four months after it started, that number would be "difficult, if not impossible" to achieve.[10]

With a pledged fund of LE 7.5 billion (EUR 781 million) in subsidies, a strategy of seven schemes was developed, all being coordinated by an agency of the MoH, and where both public and private sector entities would implement them (fig. 1). In all, about two-thirds of the scheme was to be built by government agencies, while the rest would be built privately as Ahmed El-Maghrabi, then housing minister, emphasised was needed as the "government budget could not support" such a large number of housing units[11] – even though the private sector units were to be built on state land where subsidised trunk infrastructure would be installed by the government.[12] Ownership would be the dominant

8. Press reports of some recent housing lottery protests (Al-Osbu›a Online 2013), (Al-Osbu›a Online 2011), (Veto 2013), (Masr al-Gaidia 2010).
9. The Mortgage Law 148 of 2001 defined low-income as individual monthly salaries of LE 1,000, or household incomes of LE 1,500. These were later amended in 2008 to LE 1,500 and LE 2,500 respectively.
10. (USAID 2006) In addition, three high level studies were implemented by the World Bank on behalf of the Government of Egypt within the NHP time frame and covered: an analysis of housing production (World Bank 2007); a framework for housing policy reform (World Bank 2008); and recommendations specific to the NHP (World Bank 2008).
11. (Al-Yawm al-Sabe› 2010).
12. Electricity, water, and wastewater networks installed up to the boundaries of the plots, and the relevant production stations built.

NHP Schemes						
Developer /tenure	**Scheme**		**Original Scheme 10.2005 to 09.2011***		***Extended Target to 09.2012****	
			Units	**%**	***Units***	**%**
Public sector ownership	1	*Tamlik*	199,000	39.8	*327,141*	*53.8*
	2	*Qura al-dthahir*	8,000	1.6	*14,563*	*2.4*
	3	*Beit Al-'aela*	3,000	0.6	*3,020*	*0.5*
	Total		210,000	42.0	*344,724*	*56.7*
Public sector rental	4	*Igar*	26,000	5.2	*37,807*	*6.2*
	5	*Awla bel-ri'aya*	75,000	15.0	*46,750*	*7.7*
	Total		101,000	20.2	*84,557*	*13.9*
Public Sector Total			311,000	62.2	*429,281*	*70.6*
Private sector ownership	6	*Ebni Beitak*	89,000	17.8	*93,756*	*15.4*
	7	*Mustathmirin*	100,000	20.0	*85,050*	*14.0*
	Total		189,000	37.8	*178,806*	*29.4*
NHP TOTAL			500,000	100	*608,087*	*122*

* Ministry of Housing, Utilities & Urban Development, Igazat al-iskan al-qawmy, 2009.
** Ministry of Housing, Utilities & Urban Development, Al-Mashrua' al-qawmy lil-iskan, 2012.

tenure option across all schemes (80 per cent), while public sector rental schemes would make up the rest.

The traditional public sector agencies were chosen according to their custodianship of the public land earmarked for development. These agencies included the New Urban Communities Authority (NUCA) – which takes the place of local government in New Cities through its city authorities, or *Gihaz*, and is directly affiliated, with the MoH – in addition to the Housing Directorates of almost all 27 governorates, as well as the Ministry of Religious Endowments, or *Awqaf*, and the Ministry of Agriculture.

The largest of the public sector schemes would be developed by NUCA and the governorates under the name *Tamlik* (ownership), with 199,000 units covering 40 per cent of the NHP. A smaller ownership scheme by the governorates composed of village houses *(Qura al Dthahir al-Saharawy, or Al-Beit al-Badawy)* would comprise 8,000 units (1.6 per cent). There would be three rental schemes comprising 21 per cent of the NHP: the *Al-Igar,* 26,000 units, built by *al-Awqaf* and the governorates; *Beit al'Aaela,* 3,000 units, built by *al-Awqaf* and a NUCA and governorate scheme of much smaller 42 m^2 units; and the *Al-Awla bil-Re'aya,* of 75,000 units for those prioritised as needy, mainly widows, and retirees.

Photo 1: Ebny Beitak in 6th October, Giza. Notice three storey building next to single storey, Y. Shawkat, december 2013.

Photo 2: Mustathmirin scheme, Haram City in 6th October, Giza. Notice elaborate fence and iron work, Y. Shawkat, december 2013.

Out of two schemes developed by the private sector, the *Mustathmirin* (Investors) was to comprise 100,000 units (20 per cent of the NHP) where variably subsidised land would be sold under a variation of conditions to big real estate developers, of which at least 50 per cent of the land would be the 63 m^2 units as in the *Tamlik* scheme.[13] The second private sector scheme, *Ebni Beitak* (build your own house) was geared towards individuals, whereby 89,000 plots (17.8 per cent of the NHP) would be sold at subsidised prices with a requirement to build a minimum of one floor (a 63 m^2 unit) within the first year, and with a maximum of three floors.

Photo 3: Tamlik block in 6th October, Giza. Notice some units are occupied despite incomplete roads and landscaping. Y. Shawkat, december 2013.

13. A total of 5,181 feddans (21.8 million m^2) were earmarked for the scheme. At least 50 per cent of the land was sold at LE 70/m2, or about half the LE 140 it cost the government to service with roads and trunk infrastructure, while the rest of the land not used for NHP units was sold at LE 333, which was still below market prices. Developers buying plots over 200 feddans got further discounts, where the Orascom Community Development bought 2,000 feddans for LE 10 per m2 in 6th October City to build Haram City. (World Bank 2008).

BENCHMARK 1: DOES THE NHP PLAN ANSWER THE DEMANDS OF THE ADVERTISED BENEFICIARIES?

Needed units

The centrepiece of the NHP is the 500,000 units headline. Half-a-million houses. It sounds like a big number, and in many ways it is, since the two overlapping programmes before the NHP, the *Iskan Mubarak lil-Shabab* (Mubarak Youth Housing) and *Iskan al-Mustaqbal* (Future Housing) mustered only 140,000 units over a longer time frame, or a fifth of the yearly output the NHP hoped to target (15,500 units a year, versus 83,000 units a year for the NHP).[14]

However, to put these numbers in context, an assessment of the scale of demand for low-income housing is needed. Unfortunately, data for housing demand is very scant, which is one of the more obvious indicators that the NHP was not designed to succeed, at least in terms of housing for its advertised beneficiaries. The largest housing demand study conducted in Egypt is the Housing Study for Urban Egypt, which was released in 2008, a full three years *after* the NHP had started.[15] This study clearly states that its figures for demand are not universal, though in the absence of any other data, this is the only reference to proclaimed housing demand through questionnaires. Projecting its figure of 2.8 per cent demand among urban households to cover rural household demand assuming that rural demand is similar to urban demand –, over a ten-year period, the average yearly demand for housing would be about 870 thousand units. If we also use the study's breakdown of the reasons behind the demand and focus on the most pertinent one, marriage, while excluding other demand reasons like looking for a larger unit, that would bring the needed units down to 361 thousand a year (41.6 per cent of demanders). Assuming demand is uniform across income brackets – which it is not – about 40 per cent could be considered low-income – the lowest two income quintiles, poor and extremely poor – translating into a target market of 144 thousand units a year. Thus the NHP would theoretically manage to cover almost two-thirds of low-income demand for immediate housing needs, which is a considerable contribution.

Tenure Preference

Up until the 1980s, subsidised housing programmes were predominantly long term or even lifetime rentals, but since then they have become lease-to-own. The NHP attempted to be a little different,

14. (World Banak 2007).
15. (USAID, Housing Study for Urban Egypt 2008).

with an initial mix of 73 per cent ownership units, and 27 per cent rental (although the implemented mix is 90 per cent ownership, 10 per cent rental). Of the ownership units, a quarter were self-build units, while three-quarters of the rental units were small non-family units for retirees or widows.

In contrast, a little over half of home demanders in the USAID Housing Study preferred rent-to-own tenure, while 43.3 per cent were prepared to buy, taking into consideration that these figures are averages over the entire income range and are not specific to low-income groups, which would probably have more preference for long term rental units.

It is also worth noting that the study showed demand for self-build land in urban areas to be very low (4.1 per cent), though it may be very different in rural areas where people are more used to the process of self-building.

Overall, the programme's tenure mix doesn't seem to suit the profile of its intended audience, That being said, a considerable number of owned NHP units are said to be sub-let by the beneficiaries – illegally.[16]

Geographical distribution

Again, historical evidence shows the distorted geographical allocation of units. Between 1982 and 2005, Greater Cairo (Cairo, Giza and Qalyubia) received 45.8 per cent of all public housing even though it housed only 27 per cent of the population.[17]

For the NHP, Greater Cairo was again allocated the lion's share of units – 35 per cent – though with a ratio of about 0.032 units per family (fig. 2)[18]. In comparison, much higher ratios were allocated to frontier governorates like North Sinai (0.396 units per family), Al-Wadi Al-Gadid, (0.249) and the Red Sea (0.176). Though one suspects that this relatively high ratio is due more to a Bedouin resettlement policy rather than provision of low-income housing.[19]

The lowest shares of housing were in most Delta governorates that had no desert fringes (Gharbeya, 0.001; Kafr al-Sheikh, 0.004; and Dakahleya, 0.006), which is understandable, as state owned

16. (Al-Ahram 2009).
17. (World Bank 2007).
18. There are no publically available documents that reveal the allocation of intended or completed units. Hence, these figures are from an author's compilation from various sources of unit allocation by governorate for the NHP. The compilation however is about 90 per cent complete and thus not comprehensive.
19. A recent newspaper article was headlined "Free Housing for Halayib and Shalateen (Red Sea) Residents", Al Ahram 2013a.

Geographical Distribution of NHP Units							
Region	Governorate	NHP Units*		Families**		Ratio of Units per Family	
		Number	%	Number	%		
Frontier	South Sinai	9,321	2.1	23,546	0.1	0.396	
	Al-Wadi al-Gadid	10,700	2.4	42,889	0.2	0.249	
	Red Sea	10,800	2.4	61,423	0.4	0.176	
	North Sinai	8,475	1.9	74,489	0.4	0.114	
	Matruh	3,300	0.7	60,030	0.3	0.055	
Upper Egypt	Luxor	9,200	2.0	99,811	0.6	0.092	
	Aswan	22,994	5.1	269,899	1.6	0.085	
	Fayoum	23,972	5.3	562,847	3.3	0.043	
	Minya	18,540	4.1	910,529	5.3	0.020	
	Suhag	11,294	2.5	818,553	4.7	0.014	
	Qena	8,200	1.8	632,882	3.7	0.013	
	Bani Swaif	5,734	1.3	495,687	2.9	0.012	
	Assiut	5,637	1.2	729,302	4.2	0.008	
Greater Cairo	Giza	75,577	16.8	1,422,113	8.2	0.053	
	Cairo	64,613	14.3	2,194,354	12.7	0.029	
	Qalyubeya	8,700	1.9	1,043,785	6.0	0.008	
Suez Canal	Ismailia	10,000	2.2	227,713	1.3	0.044	
	Suez	5,110	1.1	122,431	0.7	0.042	
	Port Said	5,280	1.2	141,982	0.8	0.037	
Delta	Sharkeya	57,413	12.7	1,261,502	7.3	0.046	
	Alexandria	31,479	7.0	1,071,582	6.2	0.029	
	Damietta	5,100	1.1	283,944	1.6	0.018	
	Munufeya	12,560	2.8	769,451	4.5	0.016	
	Beheira	15,146	3.4	1,094,141	6.3	0.014	
	Dakahleya	8,100	1.8	1,264,276	7.3	0.006	
	Kafr al-Sheikh	2,500	0.6	614,392	3.6	0.004	
	Gharbeya	1,368	0.3	995,746	5.8	0.001	
Total		**451,113**	**100**	**17,289,299**	**100**	**Median**	**0.029**

* Various sources from the press ** CAPMAS, 2006. *'Adad Osar Muhafzat Misr.*

land (a prerequisite for public housing) is in short supply there, and that their share is usually allocated to a New City in another nearby governorate.[20] However what is not understandable is the low share for mostly Upper Egyptian governorates that do have a desert fringe, and

20. For example, a breakdown of unit distribution for another housing scheme shows units in the New City of 10th of Ramadan in Sharkeya, allocated for both the Sharkeya and Gharbeya governorates.

also have land allocated to the New Urban Communities Authority (NUCA) to build New Cities (Assiut, 0.008; Beni Sweif, 0.012; Qena, 0.013; and Sohag, 0.014).

This wide variation between governorates that is up to a factor of 400 (between the highest and lowest share) shows how public funds can be easily misallocated in the absence of a thorough geographic housing demand analysis, as well as an absence of accountable local government and that it is most likely left to either an arbitrary means of allocation, or a means that favours certain constituencies.

BENCHMARK 2: HAVE THE NHP UNITS REACHED THEIR ADVERTISED BENEFICIARIES?

There are some quantitative regulations that govern the NHP allocation process, as well as the specifications of the housing units themselves. However, to test how adequate these regulations are, they have been compared to the mandate set by the ICESCR on adequate housing.[21] Besides being a universal benchmark, the ICESCR has also been ratified by Egypt making it part of local law.

Accessibility and Affordability

The ICESCR defines accessibility as the meeting of specific needs of disadvantaged and marginalised groups. Therefore, in this section the focus is on if the poor were able to benefit from the NHP based on the financial and formal requirements set to qualify for an NHP unit.
Different literature states that the maximum portion a household should spend from its income on all housing related costs (rent or mortgage payments, utility bills, maintenance fees and taxes) is between 20 and 30 per cent. Indeed, in Egypt, where much of a stretched income goes towards food, health and education costs, rent-to-income ratios were between 15 and 24 per cent of household income, where the poorest quintile spent 24 per cent, and the second poorest quintile spent 22.2 per cent of its income, or between LE 150 and LE 170 (EUR 16 and 18) per month respectively.[22]

21. The right to adequate housing (Art.11 (1)) :. 12/13/1991. CESCR General comment 4, note number 8. http://www.unhchr.ch/tbs/doc.nsf/%28Symbol%29/469f4d91a9378221c12563ed0053547e?Opendocument Signed by the Arab Republic of Egypt on August 4th, 1966 and ratified January 14th, 1982.
22. (USAID 2008).

Median Monthly Household Incomes in Urban Areas (2008)*					
Quintile	First	Second	Third	Fourth	Fifth
	Extremely Poor	Poor	Middle	Upper Middle	Rich
Percentage of population	19.8	20.3	18.5	20.1	21.3
Income LE	600	800	1,000	1,200	1,840
Income EUR	61	82	102	122	188
25 Per cent LE	150	200	250	300	460
25 Per Cent EUR	15	20	26	31	47
*Source: USAID, 2008. Housing Study for Urban Egypt.					

Economic data at the time shows that the target beneficiaries of low-income earners, which common sense would have one assume are the poorest two quintiles, had household incomes of LE 600 and LE 800 (EUR 61 and 82) respectively (fig. 3). This meant an instalment or rent-to-income ratio of 25 per cent of income would be between LE 150 to LE 200 (EUR 16 and 21) per month. However, the legal definitions of low-income earners used by the NHP are completely off the mark. In 2005, when the NHP started, low-income was defined as no more than LE 1,000 (EUR 104) for a single earner, or LE 1,500 (EUR 156) for a household income, which was raised in 2008 to LE 1,750 (EUR 182) and LE 2,500 (EUR 260) respectively [23]. A minimum income was also required for the ownership units at LE 650 (EUR 68) to qualify for the required bank loan, or LE 1,200 (EUR 125) for a mortgage. This means that the target range of the NHP was the 32nd to 98th income percentiles,[24] or roughly the top half of the second quintile, all the way to the upper levels of the fifth (richest) quintile.

In effect, this meant the exclusion of the bottom 32 per cent of earners (most of the second quintile and all of the first quintile) from all but 8 per cent of the units of the implemented NHP. With this, the only affordable options were the *Awla bel-Re'aya* scheme, which rented out for anything between LE 60 and LE 125 (EUR 6 and 13) per month depending on the whims of the authorities,[25] and the *Igar* family unit schemes which rented for between LE 160 and LE 200 (EUR 17 and 21)

23. As per Mortgage Law number 148 of 2001, article 6, altered by prime ministerial decree number 456 of 2005 and then decree 1864 of 2008. Though some schemes continued using the 2005 definition up until 2013.
24. In 2008 households earning LE 2500 per month were in the 98th percentile, (USAID, Housing Study for Urban Egypt 2008).
25. (Al-Ahram, Iskan Hukumi bil-igar 2010) and (Al-Ahram 2013).

per month.[26] However, access to these units was limited as the *Awla bel-Re'aya* were small units of 42 m^2 and are not family units. Rather, they are intended for retired couples or widows who would normally be living off a very modest pension. The other *Igar* scheme units (an acceptable family size of 63 m^2) were not available in all governorates and represented only 3 per cent of the implemented NHP.

Lower middle-income earners were a little better off, though again only in theory. The *Tamlik*, *Dthahir al-Sahrawy* and *Beit al-'Aela* schemes (61 per cent as implemented), required an LE 5,000 (EUR 521) down payment along with LE 160 (EUR 17) monthly instalments. However, to qualify for the required bank loan, a beneficiary must earn a minimum of LE 650 (EUR 68) per month,[27] which would correspond to a household from the middle of the second quintile and up, or a single income from an even higher bracket. This took a large portion of buyers by surprise as demonstrated by the high rate of default in the first years of the programme.[28] To make matters worse, later phases were even more expensive where banks and a recently introduced mortgage scheme required a minimum income of LE 1080 (EUR 113), thus only available for upper-middle income earners and above.[29]

Even if one could afford these units, accessibility was still theoretical, since to qualify for a bank or mortgage loan for the *Tamlik* units, beneficiaries must have had a formal job to act as guarantor towards the loan, rendering these inaccessible to almost 40 per cent of the working population who have informal jobs.[30] A further hurdle was added later to the project when the original bank, *Al-Ta'meer wal-Iskan*, transferred all loans to *Bank Masr* (both of which are state owned), though the latter bank demanded a guarantor with a government job, no older than 40 years old, not an immediate relative, and who would have his or her salary paid directly into the bank on a monthly basis in order to

26. (Amwal-al-Ghad 2010).
27. An LE 30,000 loan is required from one of the participating state banks, where instalments are paid back at a compound appreciation of 7.5 per cent over twenty years (Al-Mal 2013).
28. In 2010, only three years after the first units were delivered, 17,000 families had started defaulting on loan payments (Ros-al-Youssef, I›faa 17 Alf Mota›ather fi «Al-Kawmy Lil-Iskan» min fawa›ed al-Ta›kheer 2010).
29. In the later years of the NHP, unit prices were double the original cost during 2005, thereby doubling the minimum income to qualify for the loans (Al-Borsa 2012) or the mortgages (The Guarantee and Subsidy Fund 2010). Mortgages were introduced in 2009/2010 when a World Bank finance Affordable Mortgage Programme was introduced and NUCA started selling a portion of finished units to the Tamweel al Oula Mortgage Company to sell them on to beneficiaries (Al-Masry al-Youm 2010).
30. Interview with Gamal (only gave first name), a beneficiary of the *Tamlik* scheme, who said he had to pay the entire amount in cash (*kayesh*) upfront because he did not have a formal job. March, 2013.

have the value of the instalment deducted automatically.[31] This move further excluded almost 80 per cent of potential beneficiaries, or as was to be expected, opened a black market to rent out government employees who would be found lurking outside the bank's branches during application time, offering their 'services' for LE 15,000 (EUR 1,562) per application, or demanding to go into 'partnership' with the applicant in owning the unit.[32] This last amendment however did not extend to the mortgage lenders which had a different application system, but a much smaller share of the NHP.

The *Beit al-'Aela* was just as controversial in its discriminatory hurdles, though in a slightly different way. This scheme of more attractive two storey units was only made available to male applicants from professional syndicates or government agencies who also had to prove that their wives had both a college degree and were employed, and that they did not have more than two children.[33]

So what of the remaining third of the NHP? Both private sector-built schemes were affordable only to the upper-middle and richest households from the start. The *Ebni Beitak* scheme (24.3 per cent as implemented), was highly affordable only if you were buying the land plot which required an LE 1,050 (EUR 109) down payment, and seven yearly payments of LE 1,350 (EUR 140) each. The rules were to build a semi-finished unit within a one-year time frame from plot delivery (later increased to 15 months), or else risk revocation of the land by NUCA.[34] Even with an LE 15,000 (EUR 1,562) cash subsidy, it cost an average of LE 71,000 (EUR 7,395) to have a liveable unit with a finished interior,[35] which equals an average of LE 5,733 (EUR 597) per month, driving many beneficiaries into debt to finance their units. The developer-financed units of the *Mustathmirin* scheme (6.6 per cent as implemented), required four bulk payments for reservation, signing of contract, and delivery, which would total between LE 30,000 and LE 55,000 (EUR 3,125 and 5,729) within a one-year period, and that is after an LE 10,000 (EUR 1,041) subsidy that not everyone qualified for.[36] In addition, there would be monthly or quarterly instalments that averaged from LE 7,500 (EUR 781) down to LE 1,100 (EUR 115) per month for anything between one and ten year payment schemes. It is not surprising that upon visiting one of the more mature developments,

31. For phase four of the NHP from 2010 onwards. (Al-Ahram 2010).
32. (Ros-al-Youssef 2010) and (Al-Dustur al-Asly 2010) and (Al-Ahram 2010).
33. (Al-Masry al-Yawm 2007).
34. (Nathmy 2012).
35. Permits and utility connections costs, LE 4,150, structural shell, LE 35,000, exterior finishing, 30,000, interior finishing, LE 16,000 (Nathmy 2012).
36. According to a price schedule for the "Degla Gardens" development.

owners had fenced-in the setbacks of the ground floor units in marble clad fences and elaborate iron gates, adding private little gardens to their property.[37]

As if financial and class hurdles were not enough, the allocation process – supposedly an open lottery of beneficiaries that passed the screening process – was not transparent and was rife with accusations of fraud. On the one hand, it was not properly managed or monitored: not even a single digital database was used where it might have been possible to find out if a beneficiary already had a residence; and income declarations were rarely or arbitrarily investigated.[38] Also, people could offer to pay the full amount of the unit in cash, a practice which favoured the more wealthy quintiles over the poorer ones, or were forced to do so by the authorities upon allocation in contravention with the contract which offered a bank loan.[39] More blatant forms of cronyism occurred where regime parliamentarians were on the lottery and were allocated more than one unit,[40] or where local authorities allocated previously reserved units to other beneficiaries who skipped the queue.[41]

Security of tenure

In a 1997 study on the formality of housing, it was found that most public housing units were not registered: the older units because they were under rent agreements (between tenants and state agencies), and more recent rent-to-own units because they had exchanged hands a number of times without formal transfer of title.[42] Political control of tenants of public housing schemes has also been known to happen, where all permit authorisations for any change of activity go through government offices, and thus have been allowed or denied

37. Field visit to the Haram City development, 6th of October City, Giza, 10.12.2013.
38. As evidenced by numerous protests by applicants calling for a re-run of the lottery, which some authorities gave in to (Al-Mesreyun 2012) and (al-Yawm al-Sabea 2013), as well as a copy of a contract from a Private Developer scheme where the information declaration page was not even filled in. Also see (World Bank 2008) for more detail on the faults of the NHP screening process and for recommendations for improving it.
39. (ONA 2012) and (Al-Dustur al-Asly 2010).
40. In one case, nine relatives of the local Member of Parliament from the National Democratic Party were allocated units, four of which were her own children. (Al-Dustor-al-asly 2010)
41. 740 beneficiaries took the governor of Gharbeya to court over the allocation of units –designated to them after passing the screening and paying the registration fee– to other beneficiaries who had not done so and supposedly applied at a much later date without being screened. (Al-Mesreyoon 2012)
42. There are regulations that prevent beneficiaries of subsidised housing from selling their unit in the open market, though that has not stopped selling them informally. See De-Soto 1997.

according to the political participation of the tenant in favour of the ruling NDP.[43]

The majority of NHP are ownership schemes (79 per cent as planned/ 92 per cent as implemented), financed under special terms from both state-owned banks and mortgage lenders (for the public sector schemes) and private ones (for the private sector schemes). In the public sector schemes, units are delivered after paying an initial down payment, where loans/mortgages are paid back over 20 to 40 years. The main setback for bank schemes is that owners are not given the title deed to the property, or even a copy, until the full value is paid, while running the risk of administrative foreclosure in the case of default on payment of an instalment.[44] Mortgage loans, though more rare, offer a little more security in that the Guarantee and Subsidy Fund (GSF) can guarantee missed payments for up to three months. Overall, the government has shown some leniency, possibly for political reasons, in both 2010 which was a run-up to an election year, when 17,000 tenants defaulted on their instalments, and in 2012 when an undocumented number defaulted in the wake of the January Revolution and the ruling SCAF was looking to quell unrest.[45] Leniency took the form of waived interest fees on missed instalments as long as the total original value of the missed instalments was paid within a certain time frame. However, because there are no statistics, it is hard to assess the rate of default-caused evictions.

In the private sector *Mustathmirin* schemes, financing is provided either by the developer – where buyers pay a considerable portion of the total value of the unit in instalments that start before the units are delivered – or through mortgage companies, where down payments are a little lower. Security with developer-financed projects has been very low, where a typical contract reveals that in the event a buyer wished to pull out of the scheme, a penalty equal to 10 per cent of the total value of the unit will be incurred, this penalty would also be incurred and the contract automatically deemed void if an instalment is missed for more than 60 days.[46] These penalties are also levied even after the unit is delivered where the developer reserves the right to evict the buyer in

43. (Hassan 1985)
44. Administrative custody, or *hagz idari,* is a procedure where a government agency that is owed rent or taxes can impound moveable property of a value similar to the money owed to cover the debt. However, there is much fraud in this system where government clerks claim there was no moveable property to impound, thereby transforming the claim to a felony punishable by a prison term. Interview with housing rights lawyer Muhamed Abdel-Azim, 23.09.2013.
45. (Ros-al-Youssef, I'faa 17 Alf Mota›ather fi «Al-Kawmy Lil-Iskan» min fawa'ed al-Ta'kheer 2010) and (Al-Tahrir-al-Yawm 2012).
46. As in the contract for the "Degla Gardens" housing scheme by the developer Mi'mar al-Murshedy.

the event he or she violates the rules of the re-sale of their unit to a third party, one of which stipulates a fee equal to 10 per cent of the value of the unit "for administrative purposes". Again, mortgage schemes offer some more security, as low-income mortgages are covered by the GSF, and for the time being as lending is only 25 per cent of income, risk of default is lower than in countries that were affected by the 2008 mortgage crisis.[47]

Beneficiaries could, however, buy their security by purchasing a unit outright, though this method favours higher income earners who could provide enough cash up front, and is not wholly legal as per NHP rules.

The two rental schemes of the NHP are allocated under different conditions. The *Awla bel-Ri'aya* were on medium-term lengths of five to seven years, with annual increases of 7 per cent, after which the tenant would give up the unit, as the Ministry of Housing foresees that as a long enough period for the tenant's income to have grown and thus the need for a subsidised rental unit to have ceased.[48] This seems to be a very precarious situation, as most of the renters are supposed to be widows or retirees – as mandated by the application for these units – who have little if any foreseeable increase in their incomes. A minority of *Igar* scheme units though have life-long contracts as per the old-rent law.[49]

Another rental phenomena that should be mentioned here is the informal subletting of ownership units – which were bought or acquired for investment/speculation purposes as outlined in the previous section. Here tenants have very precarious tenure as no formal leases are signed since beneficiaries of subsidised units are not allowed to rent them out under the pretext that they themselves were in need of the units for personal use and not as an investment. There has always existed an informal rental market for public units and the NHP is no different where *samasra* – brokers, or middlemen – have set up shop in most of the inhabited clusters, where 'beneficiaries' have put them in charge of their units to rent them out, collect the rent, and even evict tenants at a moment's notice if a suitable offer to buy was made.[50]

47. This may change soon however, as the mortgage companies and the GSF are pressuring to raise the lending limit to 40 per cent, which will greatly increase risk of default.
48. (Al-Ahram 2013).
49. For some Awqaf administered units, (Al-Ahram 2010).
50. (Al-Ahram 2009).

Habitability, physical accessibility and cultural adequacy

According to the ICESCR, habitability is defined as the provision of adequate space and the protection from climate and structural hazards. Physical accessibility means that disabled people and the elderly are able to access their apartments. Cultural adequacy takes into account expressions of cultural identity. By combining these three indicators, we can establish a baseline for crowding and spatial needs that is contextualised for average Egyptian requirements.

The Egyptian Building Code stipulates a minimum space requirement of 7.5 m^2 per habitable room, be it a living space or a bedroom (fig. 4), which is extremely low. By comparison, London standards, which are not known for providing generous apartments, are 7 m^2 for a single occupancy room, and 12.5 m^2 for a double occupancy, and 20 m^2 for a living space that holds four people.

In terms of space, the two bedroom units for widows or retired couples (*Awla bel-Re'aya*, 5 per cent of the NHP) with a net area of 37 m^2 allows them to barely conform to the Egyptian code, but the bedrooms are 40 per cent smaller than the London code, while the living room is quite small for a family. The two-bedroom family units for all the other NHP schemes, with a net area of 54 m^2, are generous by Egyptian code standards, but the second bedroom misses the London code by 15 per cent.

<table>
<tr><th colspan="7">Comparison of room areas</th></tr>
<tr><th rowspan="2">Type</th><th rowspan="2">NHP Scheme</th><th colspan="2">Bedrooms</th><th rowspan="2">Living room</th><th rowspan="2">Total habitable area</th><th rowspan="2">Gross unit area</th></tr>
<tr><th>1</th><th>2</th></tr>
<tr><td rowspan="7">NHP Unit Areas*</td><td>Tamlik</td><td rowspan="6">12.0</td><td rowspan="6">10.0</td><td rowspan="6">19.6</td><td rowspan="6">54.0</td><td rowspan="6">63.0</td></tr>
<tr><td>Qura al-dthahir</td></tr>
<tr><td>Igar</td></tr>
<tr><td>Beit Al-'aela</td></tr>
<tr><td>Ebni Beitak</td></tr>
<tr><td>Mustathmirin</td></tr>
<tr><td>Awla bel-ri'aya</td><td>9.0</td><td>9.0</td><td>11.0</td><td>37.0</td><td>42.0</td></tr>
<tr><td colspan="2">Egyptian code**</td><td>7.5</td><td>7.5</td><td>7.5</td><td>22.5</td><td>27</td></tr>
<tr><td colspan="2">London Code***</td><td>12.5</td><td>7.0</td><td>20.0</td><td>39.5</td><td>47.4</td></tr>
<tr><td colspan="7">*Ministry of Housing, Utilities & Urban Development, 2012. Al-Mashrua' al-qawmy lil-iskan
** Law 119 of 2008 (Unified Building Law)
*** Greater London Authority, 2006. Housing Space Standards</td></tr>
</table>

However, area isn't everything. When viewed in light of crowding standards, smaller units are acceptable if their occupants are a retired couple with no children living with them. For younger widows, who in all probability have children, the *Awla bel-Re'aya* units prove too small. The larger units are just about acceptable for the average Egyptian family of four but in social health terms, having one small bedroom for two children of different sexes is a serious issue for an older family.[51]

As the age target for the NHP beneficiaries was between 20 and 40 years, there should have been larger three-bedroom units of about 73 m^2 (net area 64 m^2) on offer, to accommodate more mature families. There should also have been an option where smaller families who benefitted from the NHP, can apply to move to larger units that come on offer in later phases of programmes, thus freeing up their smaller units to new younger families.

In terms of structural safety, a number of reports indicate failures in different schemes involving thousands of units, some of which were vacant or others that required evacuation.[52]

Physical accessibility, as with almost all buildings in Egypt is a recurring issue. In the NHP most buildings are walk ups with no elevators, but do have units on the ground floor making about 17 per cent of them accessible to fully and partially disabled people, and to older people (Assuming that the average height of NHP buildings is five to six storeys). Again this is only in theory as there is no formal structure by which a person requiring a ground floor unit can apply for one specifically, while the units are allotted by (arbitrary) lottery.[53]

Availability of services, materials and infrastructure

All unit schemes were supposed to be delivered with their infrastructure hooked up, though not necessarily with finished interiors. Infrastructure for the *Ebni Beitak* scheme was supposed to be in place within the first year of plot delivery, as buyers completed the ground floor units. Entire phases of public housing projects that preceded the

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51. (Gray 2001).
52. 12,638 units in Minya (Al-Masry-al-Yawm 2010) 620 units in Dumyat experienced settlement and tilting (Al-Yawm-al-Sabe›a 2010) and 18 buildings in Bani-Sweif experienced cracks (Al-Masry-al-Yawm 2009), while a unit collapsed and a number of others experienced cracks in the private developer scheme of Haram City (Shehayeb and Abdel-Halim 2013). 1,900 units was also evacuated in al-Beheira (Al-Ahram 2013).
53. Nowhere on the application form is there a question for preference, especially one based on age or needs. One example of lottery fraud is where the sequence was changed to favour certain people against others. (Al-Wafd, Mahazil tawzi›a shuqaq al-iskan bi-Dusuq 2011).

NHP have stood empty for close to a decade because of incomplete infrastructure, so was the NHP any different?

The answer is no, as tens of thousands of units – both allocated to beneficiaries and unallocated – have already stood empty for a number of years. The *Ebny Beitak* scheme fared the worst, as water and electricity infrastructure did not reach most phases for four years, rendering the personal life-savings invested in the units useless, forcing the beneficiaries to, incur additional costs renting out apartments in the interim.[54]

The self-build scheme also came up against price hikes in material costs, with steel increasing by 40 per cent, causing a steep rise in construction costs in addition to the payment of 'protection' fees to local thugs to keep materials from being stolen.[55]

In addition, around 30,000 units from public sector schemes still have no infrastructure at least two years after they were completed.[56]

Location

One of the major problems with the NHP is the choice of mostly remote desert locations for the 67 per cent of schemes built in New Cities.[57] Since the NHP must be built on state owned land, the low value outskirts were chosen, which are known for their low level or lack of services, leading to a high vacancy rate as low-income families find it difficult to live there.[58]

In a few NHP schemes I visited in 6th October and *Badr* cities, on the fringes of Greater Cairo, there were no regular means of public transport, and the owners I did meet had private cars. To put this in perspective, the 2008 Egypt Demographic Survey showed that only 7.3 per cent of households owned a car.[59]

54. Interviews with Ramone and Mohamed (gave first names only) during a field visit to Ebny Beitak, 7th Phase, 6th October City, March, 2013.
55. (Nathmy 2012).
56. (Sada al-Balad 2013).
57. Where 67 per cent of land was allocated to New Cities, and the rest was located within city and village boundaries in governorates. (Al-Ahram, Bi sabab al-tagawozat wal-samsara wa irtifa›a al-as›ar, al-mashru›a al-qawmy lil-sikan fi daerat al-gadal 2009).
58. There exists no regulation to designate certain percentages of land for public housing, while almost no funds are allocated to land purchases for public service projects (World-Bank 2008).
59. (Al-Zanaty and Way 2009).

BENCHMARK 3: IMPLEMENTING THE NHP

How many units were built?

The original plan for the NHP was to build 500,000 units in a six year period between September 2005 and September 2011, Mubarak's six year term. It was already viewed by experts as too ambitious given the historic rate of production of such schemes (about 17,000 units per year), and given the lack of preparation and planning before the start date to significantly raise that figure four fold to an annual average of 83,000 units.

The government though, wasn't going to build all 500,000 units since public sector agencies (NUCA, governorates, and the *Awqaf*) were going to build 311,000 units between them – roughly 51,000 units a year – while the private sector would build 189,000 units – at 31,500 units per year (Figure 5).

In the end, public sector agencies averaged 34,000 units per year over the initial six year NHP timeline, roughly double the rate of previous programmes, but by completing only 203,453 units it met a mere 65 per cent of the target.[60] As per a MoH report dated October 2012,[61] and given a full additional year to the September 2011 deadline, albeit a year where government was still dysfunctional in the wake of the January 2011 revolution, the 500,000 units target had still not been met.

The public sector schemes missed their collective target by 15 per cent, where the rental schemes were the biggest underachievers, with only a third of the intended target built, while the ownership schemes exceeded their targets by 12 per cent.

The private sector schemes fared much worse than the public sector schemes, reaching less than two-thirds of their target. Although, of the two schemes, the self-build *Ebny Beitak* scheme actually exceeded

60. A statistics report with aggregated data from all public sector schemes of low-cost housing, iskan iqtisadi, covering the original years of the NHP, 2005 to 2011 was used for this figure (CAPMAS 2012).
61. As opposed to the aggregated CAPMAS 2012, this MoH report (MoH 2012) disaggregates the number of implemented units by scheme. However, the only date indicated for this report was in the url of the pdf document retrieved from the MoH website. Otherwise, the table that shows the units implemented is undated, and an aggregated table showing a year-by-year account of implemented units states that the sixth and last year started on 1st October, 2010 and extends till 'now'. Thus it has been assumed that 'now' is 14th October, 2013.

Completion of the Various NHP Schemes							
Developer /tenure	Scheme		Original Scheme*		Completed by 09.2011**		
			Units	% of Scheme	Units	% of Scheme	% to Original Scheme
Public sector ownership	1	*Tamlik*	199,000	39.8	220,470	57.4	10.8
	2	*Qura al-dthahir*	8,000	1.6	11,320	2.9	41.5
	3	*Beit Al-'aela*	3,000	0.6	3,020	0.8	0.7
	Total		**210,000**	**42.0**	**234,810**	**61.1**	**11.8**
Public sector rental	4	*Igar*	26,000	5.2	12,301	3.2	-52.7
	5	*Awla bel-ri'aya*	75,000	15.0	18,328	4.8	-75.6
	Total		**101,000**	**20.2**	**30,629**	**8.0**	**-69.7**
Public Sector Total			**311,000**	**62.2**	**265,439**	**69.1**	**-14.6**
Private sector ownership	6	*Ebni Beitak*	89,000	17.8	93,405	24.3	4.9
	7	*Mustathmirin*	100,000	20.0	25,511	6.6	-74.5
	Total		**189,000**	**37.8**	**118,916**	**30.9**	**-37.1**
NHP TOTAL			**500,000**	**100**	**384,355**	**100**	**-23.1**

* Ministry of Housing, Utilities & Urban Development, Igazat al-iskan al-qawmy, 2009
** Ministry of Housing, Utilities & Urban Development, Al-Mashrua' al-qawmy lil-iskan, 2012

its target by about 5 per cent,[62] while the big developer *Mustathmirin* scheme managed a mere 25 per cent of its target despite heavily subsidised land and direct subsidies to the developers. What has become of the subsidised land sold to these private developers is still an unresolved issue, especially that regime supporters were the prime beneficiaries of this scheme.[63]

How many units are usable?

The question of habitability brought up in the first part of this essay implies that the number of units built does not mean much if they are not useable, or if usable units are not lived in.

Egypt on a whole does have a vacancy problem, with the most recent statistics showing 30 per cent – or a staggering 7.7 million – units empty, over half of which have not been completed.[64] The NHP is no exception. During the security vacuum in the wake of the January

62. As per the MoH report (MoH 2012) which relied on plots delivered rather than plots built. Though a study confirms a high rate of completion (Nathmy 2012), where a 2,200 plot sample revealed that 92 per cent completed a single floor/unit, 87 per cent completed two floors (two units) each, and 62 per cent building all three floors. So it might be safe to assume that the scheme met its 89,000 unit target, and more.
63. A former NDP parliamentarian's real estate firm, Memaar Al Morshedy acquired 600 feddans in 6th October City or about 12 per cent of all land allocated to the scheme (Degla Group 2013) & (Degla Group 2013).
64. For an in-depth analysis of this phenomenon see Shawkat, 2013.

25th Revolution, thousands of empty government housing units were stormed and squatted in by people, where a lot of these units were from projects that even pre-dated the NHP.[65]

So why were all these units empty? Based on newspaper reports, most were completed or nearly completed units but had not yet been allocated, while another portion had been allocated to beneficiaries, but either due to incomplete infrastructure, lack of services or security, or possibly due to speculation, they had not yet moved into them.[66] One of the main reasons that may have kept these units empty is the fact that thousands of them still have incomplete infrastructure, and hence have not been delivered or beneficiaries have refused to accept them.[67]

Another reason is that units were too expensive for the applicants, and just stood unsold.[68] In fact, over the six year course of the NHP the costs of the units doubled, showing that even subsidised housing schemes were not immune from the real estate bubble that free-market housing experienced at the time, much to the benefit of the steel and cement industry where NDP members had controlling stakes.[69]

A third reason, in the case of the village unit scheme *Qura al-Dthahir al-Sahrawy*, is that most of these desert units were meant to have land allocated to them for reclamation, but in the four years after their completion this land had not been readied, rendering the homes useless for the farmers who had applied for them.[70]

65. 1,800 units in Beit al-'ela (Al-Masry al-Yawm 2011), 232 units in Haram City (Al-Ahram 2011), 650 in Beheira, (Al-Wafd, Al-Mi›at yahtalun shuqaq Mubarak bil-Beheira 2011), 400 in Alexandria, another 400 in Qalyub, (Al-Wafd 2011), 144 in Aswan (Al-Ahram 2013), and an unspecified number of units in Minya (Masrawy 2011).
66. A field visit to a portion the scheme finished three years earlier showed that a portion of the 5,400 completed units were delivered to beneficiaries, and where middlemen had already set up shop and were renting and trading them, while an even lesser portion seemed inhabited. Field visit by the author to 11 clusters in the Ganub al-Ahya' sector, 6th of October City, Giza, 10.12.2013.
67. A recent report to the housing minister stated 21,000 units from the NHP still had no infrastructure (Al-Ahram 2013).
68. A number of governorates reported extremely low demand in the first year of the NHP due to high prices (Al-Masry al-Yawm 2006) and (Al-Masry al-Yawm 2006), also see previous section on affordability and access.
69. Ahmed Ezz, a former high level NDP member and head of the parliamentary budget committee during tenure as an NDP MP, controlled between 50 and 70 per cent of the local steel industry during the NHP project cycle (Ezz Steel ND).
70. (Al-Yawm-al-Sabe›a 2013).

CONCLUSION

By October 2012, a full year after the original deadline of the NHP, a little over three-quarters of the 500,000 unit target had been met, where a third of them were built using private money. While at the outset this seemed like a significant contribution to urban housing, the NHP missed all of its social targets.

In terms of providing affordable housing to low-income families (those of the bottom two income quintiles) the NHP ignored its advertised target. The units most suited to the poorest income quintile, the rental *Igar, Awla bel-Reaya* and *Beit al-'Aela,* constituted less than a tenth of the total completed units even though they were supposed to constitute double that figure. Meanwhile, a full 60 per cent of the programme was theoretically affordable for only the top half of the second income quintile and up. This is because it excluded all those who have informal jobs and embedded middle-income government employees, NDP parliamentarians, governors into the allocation system –allowing these regime supporters to profiteer as middlemen between those who did not meet NHP criteria–, and investor/speculators, all profiting from a well-below-market-price unit that could be sub-let or 'flipped' once the resale price was right. The remaining third of the NHP was affordable only to the richest earners.

This massive redistribution of public subsidy to the undeserving was made possible by un-transparent and arbitrary allocation procedures and a legal definition of 'low-income' that completely ignored economic data, hence, deceiving the public in to believing that the NHP was affordable to the poor.

In terms of providing useable and liveable housing to its advertised target beneficiaries, there was a lot left to be desired from the NHP. Despite the completion of about 380,000 units, infrastructure non-delivery rendered a significant portion of them unusable, while faulty construction meant a considerable number of NHP blocks suffered structural damage within months of being completed. These are stark indicators that there was never any real money or capacity to complete the well-advertised target of half a million units, where behind endless freshly painted facades hid thousands of unusable or unsafe apartments.

For those that did end up living in NHP units, life could be much better. While political reasons keep risk of evictions low for formal owners, a risk does remain. This risk is much higher for tenants of the informally sublet ownership units. Formal rental units also carry a risk of eviction especially given the precarious nature of the intended "more vulnerable" beneficiaries. Habitability was another concern as the 63 m^2 units were still small for a typical Egyptian family in that income bracket, while the smaller 42 m^2 units are just outright inadequate for beneficiary families of these units. Physical accessibility and location of the units were also of concern as very few if no provisions were made for the disabled, while the remote locations coupled with the absence of public transportation made access almost impossible for those without a private car. Personal security is another major concern.

So who did the NHP benefit? For one, pictures of Mubarak, governors, and other officials handing over deeds to beneficiaries filled the front pages of newspapers for a few years and kept up the hopes of hundreds of thousands of families for affordable housing. The regime also capitalised on the NHP in the government report to the ICESCR, citing its efforts to fulfil its obligation towards the right to adequate housing, and was touted in the 2010 UNDP Human Development Report as realising the dreams of Egypt's youth.

With the knowledge that expert advice was delivered at the top levels of government on important social justice issues like subsidy leakage and the screening of potential beneficiaries, and with this empirical study on the actual beneficiaries, the main driver behind the NHP seems to have been political gain.

As the unfinished schemes of the NHP muddled on in the two years after the revolution that toppled Mubarak's regime, the ensuing regimes – the first interim military period ruled over by the SCAF, the year of Muslim Brotherhood (MB) rule, and the second interim military period of post June 30th, 2013 – continued using the same un-transparent allocation processes and deceiving legal definitions for 'low-income' to allocate the remaining units. Furthermore, mortgage companies are calling for raising the already deceiving 'low-income' limit for affordable mortgages to LE 4,000 (EUR 417),[71] while during MB tenure, the GSF has put in a request to raise the loan-to-income ratio to a potentially devastating 40 per cent instead of the current 25 per cent, and seems set to be allowed to do so by the next elected parliament. It remains to be seen whether litigation on the back of a new constitution that outlines adequate housing as one of the government's responsibilities, will manage to change not only policy, but conduct.

71. (Al-Mal 2013).

ACRONYMS

GSF Guarantee and Subsidy Fund
ICESCR International Covenant for Economic, Social and Cultural Rights
MB Muslim Brotherhood
MoH Ministry of housing, utilities and urban development
NDP National Democratic Party
NGO Nongovernmental organisation
NHP National Housing Project
NUCA New Urban Communities Authority
SCAF Supreme Council of the Armed Forces
USAID United States Agency for International Development

CURRENCY

EUR 1 = LE 9.6 (As of 30.12.2013).

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